

OLYMPIA, WASHINGTON

December 2, 2003

The State Finance Committee met in a special meeting after notice duly given to the press and radio of Thurston County.

Present: Michael J. Murphy, State Treasurer
Gary Locke, Governor

Also Present: Allan J. Martin, Office of the State Treasurer
Tom Morrill, Office of the Attorney General
Rob Shelley, Seattle-Northwest Securities
Amy Arnis, Department of Transportation
Dean Torkelson, Seattle-Northwest Securities
Shad Pruitt, Office of the State Treasurer
Svein Braseth, Office of the State Treasurer
Bill Tonkin, Foster Pepper & Shefelman
Vicki Cox, Office of the State Treasurer
Barton Potter, Office of the State Treasurer
Pam Johnson, Office of the State Treasurer
Kristi Wolgomot, Office of the State Treasurer
Sue Melvin, Office of the State Treasurer
Suzanne Coit, Office of the State Treasurer
Nancy Notter, Office of the State Treasurer
Jeff Caldwell, Department of Transportation
Mike Roberts, Office of Financial Management

Chairman Murphy called the meeting to order.

Chairman Murphy said Committee members had received the minutes for two special meetings, 10 am, October 7, 2003 and 5 pm, October 8, 2003; and one work session 10:30 am October 7, 2003. He said a subsequent staff review had found that Bill Neukom's name on page 26 of the work session minutes had been misspelled and asked if the Committee wanted to take time to review the minutes one by one. Governor Locke suggested the acceptance of the minutes be moved to the next meeting in order to allow additional review as he had found other errors including misspellings of 'ambiguity' and 'ought' and a misquote of Lt. Governor Owen. Governor Locke indicated, however, he agreed with the substance of the minutes. Chairman Murphy said corrected minutes would be forwarded to Committee members for their review before the next meeting.

Mr. Martin said proposed Resolution No. 989 provides for the issuance and sale of up to \$421,255,000 State of Washington Various Purpose General Obligation Bonds, Series 2004D, authorized by Chapter 14, Laws of 1989, 1st Ex. Sess.; Chapter 15, Laws of 1990, 1st Ex. Sess.; Chapter 9, Laws of 2001 2nd Sp. Sess.; Chapter 240, Laws of 2002 Reg. Sess.; Chapter 147, Laws of 2003 Reg. Sess.; Chapter 3, Laws of 2003 1st Sp. Sess.; and Chapter 18 Laws of 2003 1st Sp. Sess.; and Chapter 39.42 RCW for the purpose of providing funds to pay and reimburse the state for various state capital project expenditures, state buildings and facilities for institutions of

higher education expenditures, and multimodal transportation project expenditures; fixing the date, form, terms, maturities, redemption provisions and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds.

Mr. Martin said the Series 2004D bonds will be used to fund cash flow requirements for construction of state capital projects, state buildings and facilities for institutions of higher education as provided by “the Building Washington's Future Act”, and multimodal transportation projects. Bond proceeds from this proposed issue are to be deposited or transferred to the following funds: State Building Construction Account (fund 057), Higher Education Construction Account (fund 01L), State Vehicle Parking Account (fund 045), Outdoor Recreation Account (fund 070), State and Local Improvement Revolving Account -- Water Supply Facilities (fund 072), Multimodal Transportation Account (fund 218), Habitat Conservation Account (fund 244), Gardner-Evans Higher Education Construction Account (fund 357), and Capitol Historic District Construction Account (fund 350). Mr. Martin said the Series 2004D Bonds are tax-exempt current interest bonds. The interest will be paid semi-annually on the outstanding principal. The debt service payments of Series 2004D Bonds together with the debt service payments of Series 2004T (issued October 7, 2003) are structured to produce an approximate level debt service over the life of the Bonds. Chairman Murphy acknowledged Dean Torkelson and welcomed him back from his sabbatical. Mr. Torkelson said his sabbatical was fruitful but he missed everyone.

Mr. Martin presented proposed Resolution 989 to the committee.

Resolution No. 989 authorizes the issuance and sale of not to exceed \$421,255,000 State of Washington Various Purpose General Obligation Bonds, Series 2004D, authorized by Chapter 14, Laws of 1989, 1st Ex. Sess; Chapter 15, Laws of 1990, 1st Ex. Sess.; Chapter 9, Laws of 2001, 2nd Sp. Sess.; Chapter 240, Laws of 2002; Chapter 147, Laws of 2003; Chapter 3, Laws of 2003 1st Sp. Sess.; Chapter 18, Laws of 2003, 1st Sp. Sess., and Chapter 39.42 RCW.

Governor Locke moved to adopt Resolution 989. Chairman Murphy seconded the motion and the resolution was adopted.

Mr. Martin said Proposed Resolution No. 990 provides for the issuance of Motor Vehicle Fuel Tax General Obligation Bonds, Series 2004E, of the state, in the principal amount of not to exceed \$71,550,000, authorized by Ch. 7, Laws of 1967, Ex. Sess., as amended (RCW 47.10.762); Ch. 321, Laws of 1998 (Referendum 49), (RCW 47.10.843); Ch. 147, Laws of 2003 (RCW 47.10.861); and Ch. 39.42 RCW; and Motor Vehicle Fuel Tax General Obligation Bonds, Series 2004E, of the state, in the principal amount of \$90,000,000, more or less, authorized by Ch. 321, Laws of 1998 (Referendum 49), (RCW 47.10.843) and Ch. 39.42 RCW; for the purpose of providing funds to pay and reimburse state expenditures for the location, design, right of way, and construction of state and local highway improvements; and selected projects or improvements that are identified in the omnibus transportation budget as transportation 2003 projects or improvements; fixing the date, form, terms, maturities, redemption provisions and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds. The Series 2004E Bonds are tax-exempt current interest bonds. The interest will be paid semi-annually on the outstanding principal. The Series 2004E Bonds are structured to produce an

approximate level debt service over the life of the Bonds. The Series 2004F Bonds are compound interest bonds. As such, the interest on the Series 2004F Bonds will be paid only at maturity. Chairman Murphy acknowledged the presence of Ms. Arnis representing the Department of Transportation.

Mr. Martin presented proposed Resolution 990 to the committee.

Resolution No. 990 authorizes the issuance and sale of not to exceed \$71,550,000 of State of Washington Motor Vehicle Fuel Tax General Obligation Bonds, Series 2004E, authorized by Chapter 7, Laws of 1967, Ex. Sess., as amended (RCW 47.10.762); Chapter 321, Laws of 1998 (Referendum 49) (RCW 47.10.843), Chapter 147, Laws of 2003 (RCW 47.10.861); and Chapter 39.42 RCW; and \$90,000,000, more or less, of State of Washington Motor Vehicle Fuel Tax General Obligation Bonds, Series 2004F, authorized by Chapter 321, Laws of 1998 (Referendum 49) (RCW 47.10.843), and Chapter 39.42 RCW.

Governor Locke moved to adopt Resolution 990. Chairman Murphy seconded the motion and the resolution was adopted.

There being nothing further to come before the committee, the State Finance Committee meeting was adjourned at 10:25 a.m.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

Michael J. Murphy, State Treasurer & Chairman

Gary Locke, Governor & Member

Brad Owen, Lieutenant Governor & Member

Allan J. Martin
Deputy State Treasurer & Secretary